

# Institutional Investor

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Special Report  
**Asia-Pacific**  
**INTERNATIONAL EDITION**

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## The next generation of banking leaders



# The next generation of banking leaders

These fifteen profiles represent this magazine's selections of the men who now seem most likely to become dominant faces in global banking in the decade ahead.

**D**espite its reputation as a bloodless, numbers-oriented profession, banking remains a business dominated by personalities — people whose skills, vision and charisma exert a profound influence on their institutions and, in turn, on the whole world of international finance. It is not terribly difficult to recall some of the people who filled that role in the 1970s: they range all the way from Wilfried Guth of the Deutsche Bank to Walter Wriston of Citibank to Robert Genillard of Credit Suisse White Weld, to name only a few of the numerous individuals who helped shape the decade past.

Trying to determine just who will be the major players on the world stage in the decade to come, however, is quite another matter. To be sure, there is a whole battery of individuals who impacted the 1970s and who will continue to be dominant forces over the next few years. But there are a good many others whose real global mark has yet to be made, who may be reasonably prominent today but who seem destined to become true powerhouses in the 1980s.

Just who are these banking superstars of tomorrow going to be?

Based on our reporting of the international finance scene, the editors of *Institutional Investor* have

cover by John Robinette



selected fifteen individuals who are most likely to become the next generation of international banking leaders. All of them have achieved some degree of power and recognition already, of course, but the betting is that their greatest achievements still lie ahead of them. Some have been chosen because they are likely to become leaders of already powerful banking institutions. Some have been selected because their institutions — and, in turn, they themselves — are bound to gain worldwide prominence in the late 1980s. Others have been picked because as individual bankers in their own right they are expected to be forces to be reckoned with in the next decade. These fifteen people come from eleven countries, with two each from the U.K., U.S. and Japan, countries that by law or by tradition have separate commercial and merchant banking functions.

In selecting this admittedly narrow list, *Institutional Investor* is well aware that in many countries there are numerous other bankers who also are good bets to be compelling figures in international banking. And our editors will be watching their accomplishments with great interest. But what follows here is a look at the individuals who appear to bear the *most* watching as the 1980s begin.



cepting a job about which I knew absolutely nothing." His counterparts at other

Canadian banks probably wish he hadn't taken the job. Says one analyst: "They

probably thought it was easier when he wasn't there."

## UNITED STATES

### James Wolfensohn of Salomon Brothers

*If the last few years are any evidence, he and his firm will leave an indelible mark on the global efforts of U.S. investment banks in the 1980s.*

**S**ome investment bankers get by on brainpower, some on organizational skills, some on contacts. But James Wolfensohn has a knack of putting all three elements together, blending them into a cosmopolitan deal-making style all his own that includes everything from his early morning cigars to his taste for great music (he carries his cello with him whenever he travels). The world of American investment banking has had a heady whiff of this style in the three years since the Australian-born Wolfensohn joined Salomon Brothers as its corporate finance chief. And — if what he and the firm have accomplished internationally in those three years is any indication — Wolfensohn is destined to leave an indelible mark on the global efforts of American investment banks in the 1980s.

As Wolfensohn sees it, if a U.S. investment banking firm is to be competitive in the 1980s, it must provide "a full-line service to corporate and governmental clients in every major currency in all the



world's capital markets." And no one typifies that kind of global versatility more than Wolfensohn. On his first day on the job at Salomon, for instance, he brought in a co-managership of a Brazilian development bank issue. Later, his friendship with Hongkong and Shanghai Bank chairman Michael Sandberg helped Salomon become the bank's adviser in its bid for control of Marine Midland Bank. When troubled Chrysler Corp. was looking for a financial adviser this year, it turned to a Wolfensohn-led team from Salomon Brothers. And in the competition for a coveted co-managership in the U.K.'s 1978 Yankee bond issue (the country's first U.S. deal in more than 30 years), it certainly didn't hurt that Bank of England chairman Gordon Richardson had once been Wolfensohn's boss at J. Henry Schroder. (Most of Wolfensohn's banking career, in fact, was with Schroders, where he rose to the No. 2 post in that merchant banking organization and headed its far-flung international operations.)

Of course, Wolfensohn isn't the only reason why Salomon has become the most talked-about American investment bank in the international market. There is also the weighty presence of the firm's managing partner, John Gutfreund, who has often been relied on as Salomon's ultimate clincher in the battle for mandates. As Gutfreund's administrative responsibilities mount, however, that job is expected to fall more and more on Wolfensohn's shoulders.

The world, in fact, may only have seen the beginning of the Wolfensohn globe-trotting show. As he himself points out, much of his time since his arrival at the firm has been spent reorganizing his department, with relatively few hours left for wooing new clients. In the 1980s, he expects to have much more time to spearhead the business campaign. "I don't expect all our competitors to drop dead" when they hear that, Wolfensohn tartly observes. But there seems to be little doubt that they'll take notice of the comings and goings of the man with the cello.

## HONGKONG

### Fung King Hey of Sun Hung Kai

*Hongkong's big success story of the 1970s, this enigmatic financier could be a bigger success story overseas in the 1980s.*

**I**n the plush office of Hongkong financier Fung King Hey is a large aquarium containing tropical fish presented to him as a gift by the People's Republic of China. Until

recently, some skeptics thought the fish were about the only thing Fung would get from the strong ties he claimed to have with the Chinese government. But the skeptics





were wrong. This year, the Peking-owned Bank of China participated in a financing for a new headquarters building for Sun Hung Kai, the financial conglomerate Fung founded and heads, the first time the bank has been involved in such a loan. What's more, the Chinese also this year granted permission for Sun Hung Kai to set up an office in Peking.

The blossoming of the "Chinese connection," however, is only one sign of how Fung, until recently regarded as a figure important only in Hongkong, is becoming a major financial figure throughout the Asia-Pacific region. Indeed, in more ways than one Fung is the man to watch in Asian finance in the 1980s. No one in the region is moving as aggressively to establish overseas links as the 58-year-old native of Canton; in fact, there are times when he seems intent on doing nothing less than carving out a global empire for himself. He has already made it known that he is interested in eventual representation in all the ASEAN countries, and he took a giant step in that direction last year by applying to set

up a Singapore office. More recently, Fung organized a group of Southeast Asian businessmen "to review investment opportunities in the region and assist indigenous Asian enterprises," according to an associate.

Outside Asia, Fung has been bolstering Sun Hung Kai's connections with Wall Street broker Bear Stearns (with which it has a correspondent relationship); New York-based commodities trading house ACLI International; and especially the Banque de Paris et des Pays-Bas, which owns a large minority stake in Sun Hung Kai Finance. Despite these moves, Fung's aides insist they are in no hurry. As one put it, "Only after we have built up a solid foundation in this region would we aspire to expand outside of it."

How did the enigmatic Fung, virtually unknown outside of Hongkong five years ago, come so far so fast? To begin with, he had the solid foundation of the fortune he built up in the late 1960s in the Hongkong property market by buying up property at bargain-basement prices after the 1967

communist riots in the Crown Colony. After his property firm, Sun Hung Kai Properties, was flourishing, Fung started Sun Hung Kai Securities as a sideline. The securities firm quickly became the biggest stockbroker in Hongkong, capturing a 20 per cent market share during the 1972-1973 stock market boom (and a 25 per cent share in last year's boom), and soon began to be referred to as "the Merrill Lynch of Hongkong." And, just like Merrill Lynch, Sun Hung Kai began to diversify into areas other than the securities venture business, to the point where it now derives most of its revenues from such non-securities activities as gold, foreign-exchange and commodities trading.

Despite its fast growth and apparently strong prospects, Sun Hung Kai did suffer a serious setback last year, when rumors about its solvency touched off a run by depositors (*Institutional Investor*, March 1979). That problem apparently is behind the firm now, however, and Fung is clearly anxious to flex his muscles in neighboring countries.

## JAPAN

### Keisuke Egashira of Nomura

*As international operations get more emphasis at his firm, his thorough Westernization should make him a figure to watch.*

Among London's merchant bankers and stockbrokers, "Japanese investment banker" has, for almost fifteen years, been synonymous with the name Keisuke Egashira. One of the first Japanese investment bankers to spend long stretches of time abroad, Egashira set up the London office of Nomura in 1965. In the years that followed, in both London and New York (Egashira was named president of Nomura Securities International in 1975 and in 1978 became president of Nomura Europe NV), the former Fulbright scholar established a reputation as a precise, polished, soft-spoken but strong-willed banker. Most important, however, he very quickly grasped international banking concepts and practices.

This, for Europeans in particular, has made Nomura an ideal Japanese partner — chiefly because, as one Dutch banker puts it, "we can talk with Egashira in non-Japanese terms." Egashira's thorough Westernization, including a faultless command of English and a love of opera and ballet, "gave him something in common with a lot of us," adds a British merchant banker, "and therefore he was highly successful at a time when the Japanese were more or less unknown."

Egashira's vaunted skills and reputa-



tion will make him an even more pivotal figure in international finance in the decade to come, as Nomura girds itself for a more intensive global push in the 1980s. In what is described as the firm's "new organizational strategy for the 1980s," Nomura

"will mount a concerted and integrated effort to expand business internationally." And as the head of Nomura's European operations — at the moment, the firm's most active and important unit outside Japan — Egashira (who at 47 is young by Japanese standards) is seen as the most likely candidate for the international slot in this integrated management team. But despite the high visibility of Nomura and Egashira internationally, the house itself remains predominantly a domestic operation in terms of activity and earnings. This, plus the fact that as a result of recent management changes in Tokyo, Nomura's senior people appear to outsiders to be even more domestically oriented than before, has led observers to speculate about how much influence Egashira and other *kokusaiha* ("the international faction") can ultimately have. "The achievers," claims another banker, "must be in Tokyo."

Experienced Japan watchers in Europe, however, note that Nomura's new management, rather than neglecting or even downgrading the firm's international operations, will put even more pressure on them to continue turning a profit and be run even more efficiently. And this is precisely, they say, where Egashira can be expected to play a key role. ■